



Department of Energy
Western Area Power Administration
Watertown Operations Office
P.O. Box 790
1330 41st Street SE
Watertown, South Dakota 57201-0790

April 26, 2007

Dear Transmission Customers and Other Interested Parties:

On April 2, 2007, Western Area Power Administration sent the Integrated System (IS) Transmission and Ancillary Services Rate Calculation to be effective May 1, 2007. Since then Western has received additional transmission data and has therefore included that data in the ancillary services rates. The additional transmission data did not change any of the IS Transmission and Ancillary Services rates and therefore is provided for informational purposes. The rates, which will be effective May 1, 2007, are as follows:

<u>Service</u>	<u>Rate Schedule</u>	<u>Rate</u>
Network Transmission	UGP-NT1	Load-ratio share of 1/12 of the Annual Revenue Requirement for IS Transmission Service of \$134,878,205.
Firm Point-to-Point Transmission	UGP-FPT1	Maximum of \$2.78/kWmonth
Non-Firm Point-to-Point Transmission	UGP-NFPT1	Maximum of 3.81 mills/kWh
Scheduling, System Control and Dispatch	UGP-AS1	\$57.20/schedule/day
Reactive Supply and Voltage Control from Generation Sources	UGP-AS2	\$0.08/kWmonth
Regulation and Frequency Response	UGP-AS3	\$0.06/kWmonth
Energy Imbalance	UGP-AS4	For negative excursions outside of 3 percent bandwidth, the Upper Great Plains Region reserves the right to charge 100 mills/kWh. Positive excursions outside the bandwidth will be lost to the system.
Spinning/Supplemental Reserves	UGP-AS5 and 6	\$0.14/kWmonth of customer load

Enclosed are pages from the IS Transmission and Ancillary Services Rate Calculation which have been revised. Please substitute the enclosed pages for the ones you received earlier.

The IS Transmission Loss Factor effective May 1, 2007, is 4 percent and unchanged from the previous 2-year period.

If you have any questions concerning the IS Transmission and Ancillary Services Rate Calculation, please telephone Lloyd Linke at (605) 882-7500.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Linke", written in a cursive style.

Lloyd A. Linke
Operations Manager

Enclosure